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Amendments to the Drawings:

Attached herewith is a replacement drawings for Figure 2. It is believed these replacements do not involve any introduction of new matter. Consequently, entry of these replacement drawings is believed to be in order and is respectfully requested.

Attachment:

Replacement Sheet for Figure 2.

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REMARKS

The paragraph beginning on Page 2, Lines 34-36 of the Specification has been amended.

Support for this amendment may be found in Figures 1-5, as originally filed, Claims 1-11, as

originally filed, an in the Specification at page 1, line 28 - page 2, line 36, and page 3, lines 25-

26.

Claims 1-2, 5 and 7-12 are pending in the present application. No additional claims fee is

believed to be due.

Claim 3, 4, and 6 have canceled without prejudice.

New Claim 12 has been added. Support for this Claim is found in Claims 1, 3, 4 and 6, as

originally filed.

Claim 1 has been amended to correct a typographical mistake regarding the inadvertent

inclusion of the phrase "for example,." Claim 1 has been further amended to incorporate the

elements of cancelled claims 3 and 4. Support for these amendments are found in original Claims

1, 3, and 4, as originally filed.

Claim 7 has been amended to change the claim dependency from cancelled Claim 6 to

new Claim 12. Support for this amendment is found in Claims 6-7, as originally filed.

Claims 8-11 have been amended to more specifically characterize and claim Applicant's

invention. Support for these amendments are found in original Claims 8-11, and at page 2, lines

4-16; of the Specification.

Claim 9 has been amended to more specifically characterize and claim Applicant's

invention. Support for this amendment is found at page 1, lines 15-20; page 1, line 31-33; and,

page 2, lines 7-9 of the Specification. Claim 9 has further been amended to correct the double

claim dependency. Support for this amendment is found in Claims 8-9, as originally filed.

Claim 10 has been amended to more specifically characterize and claim Applicant's

invention. Support for this amendment is found at page 1, line 37 - page 2, line 3 and page 2,

lines 9-11 of the Specification.

It is believed these changes do not involve any introduction of new matter. Consequently,

entry of these changes is believed to be in order and is respectfully requested.

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Claim Objections

The Office Action states that Claim 9 is objected to because the claim is in improper form

for a dependent claim, being simultaneously dependent on two claims. As noted above, Claim 9

has been amended to correct the claim dependency and, it is submitted, the objection is

now rendered moot and should be withdrawn.

Objection to the Drawings

The Office Action objects to the drawings as submitted, stating that the drawings must

show each and every feature of the invention specified in the claims. Figure 2 of the drawings has

been amended to specifically characterize Applicant's invention.

It is believed these changes do not involve any introduction of new matter. Consequently,

entry of these changes is believed to be in order and is respectfully requested.

Rejection Under 35 USC 112, First Paragraph

Claim 3 was rejected under 35 USC §112, first paragraph, as containing subject matter

that was not described in the specification in such a way to convey that the inventors, at the time

the application was filed, had possession of the claimed invention. In making the rejection, the

Office Action contended that "claim contains subject matter which was not described in the

specification in such a way as to enable one skilled in the art to which it pertains, or with which it

is most nearly connected, to make and/or use the invention." Specifically, the Office Action states

that there is no support in the Specification for the term "multi-bit magnetic tag." Applicant

asserts that though this specific rejection is rendered moot by the cancellation of Claim 3, the

rejection as applied to claim 1 would be in error and should be avoided.

Applicant's assert that support for the term "multi-bit magnetic tag" can be clearly found

in the Specification in the passage "In particular, the transponders may comprise RFID or multi-

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bit magnetic tags which may be attached to or otherwise integrally associated with items to be stored and displayed on the shelves," which may be found at Page 1, Lines 34-36. Support for the term "multi-bit magnetic tag" may also be found in Claim 3 as originally filed.

Rejection Under 35 USC 112, Second Paragraph

The Office Action States that Claims 1-11 are rejected for failing to particularly pointing out and distinctly claiming the subject matter which the Applicant claims as its invention. Applicant suggests that in view of the amendments and remarks set forth herein that continued rejection of these claims would be in error and therefore requests withdrawal of the rejection.

The Office Action states that that Claim 1 is indefinite for use of the phrase "for example," since the metes and bounds of such an exemplification does not provide an explicit definition of the instantly claimed system structure. Applicant has amended the claim to remove this phrase. Accordingly, Applicant respectfully suggests that continued rejection of Claim 1 on this grounds would be improper, and that the rejection should be withdrawn.

The Office Action states that that Claim 6 is "grammatically awkward." Though Applicant contends that the metes and bounds of Claim 6, as written, would be clearly understood by one of ordinary skill in the art, in an effort to further prosecution Applicant has cancelled Claim 6 and inserted new independent Claim 12 directed to the same subject matter. Applicant contends that the metes and bounds of new Claim 12 would be readily understood by one of ordinary skill in the art. Accordingly, Applicant respectfully requests entry and allowance of new Claim 12.

The Office Action states that that Claim 7 is indefinite for use of the phrase "and the like" since the metes and bounds of such an exemplification does not provide an explicit definition of the instantly claimed system structure. Applicant has amended the claim to remove this phrase. Accordingly, Applicant respectfully suggests that continued rejection of Claim 7 on this grounds would be improper, and that the rejection should be withdrawn.

The Office Action states Claim 8 is indefinite because the phrases "the level of stock," "the requirement for replenishment of the items," and "the number of items" lack clear and proper antecedent basis. Applicant has amended the claim in manner obviating the need for antecedent basis for these claim elements. Accordingly, Applicant respectfully suggests that continued

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rejection of Claim 8 on these grounds would be improper, and that the rejections should be

withdrawn.

The Office Action states Claim 9 is indefinite because the phrases "the prices" lacks clear

and proper antecedent basis. Applicant has amended the claim in manner obviating the need for

antecedent basis for this claim element. The Office Action further states that there is no functional

antecedent basis for, nor any instantly claimed support for the statement of desired result of

"enabling price changes to be indicated substantially instantaneously when changes are made in

the data processing unit." Applicant's have amended the claim in a manner obviating the rejection

on this ground. Accordingly, Applicant respectfully suggests that continued rejection of Claim 9

on these grounds would be improper, and that the rejections should be withdrawn.

The Office Action states Claim 10 is indefinite because the phrases "the location" lacks

clear and proper antecedent basis. Applicant has amended the claim in manner obviating the need

for antecedent basis for this claim element. The Office Action further states that there is no

functional antecedent basis for, nor any instantly claimed support for the statement of desired

result of "providing an indication of misplaced items." Applicant's have amended the claim in a

manner obviating the rejection on this ground. Accordingly, Applicant respectfully suggests that

continued rejection of Claim 10 on these grounds would be improper, and that the rejections

should be withdrawn.

The Office Action states Claim 11 is indefinite because the phrases "the removal of large

numbers of items" lacks clear and proper antecedent basis. Applicant has amended the claim in

manner obviating the need for antecedent basis for this claim element. The Office Action further

states that the metes and bounds of the term "usually" is unclear, as the term is one of degree.

Applicant has amended the claim to remove the term "usually," thereby obviating the rejection.

Accordingly, Applicant respectfully suggests that continued rejection of Claim 11 on these

grounds would be improper, and that the rejections should be withdrawn.

Thus, in view of the amendments and remarks set forth above, withdrawal of the

rejections is respectfully requested.

Rejection Under 35 USC 102(b) Over Griffith et al. (U.S. Pat. No. 5,887,176)

Claims 1,2 and 4-11 have been rejected under 35 USC 102(b) as being unpatentable over

Griffith et al. (U.S. Pat. No. 5,887,176). Applicant respectfully obviates this rejection.

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As is well settled, anticipation requires "identity of invention." Glaverbel Societe Anonyme v. Northlake Mktg. & Supply, 33 USPQ2d 1496, 1498 (Fed. Cir. 1995). Each and every element recited in a claim must be found in a single prior art reference and arranged as in the claim. In re Marshall, 198 USPQ 344, 346 (CCPA 1978); Lindemann Maschinenfabrik GMBH v. American Hoist and Derrick Co., 221 USPQ 481, 485 (Fed. Cir 1984). Furthermore, in a §102(b) rejection there must be no difference between what is claimed and what is disclosed in the applied reference. In re Kalm, 154 USPQ 10, 12 (CCPA 1967); Scripps v. Genentech Inc., 18 USPQ2d 1001, 1010 (Fed. Cir. 1991).

As the Office Action recognizes that the *Griffith et al.* reference does not disclose Applicant's claimed use of one or more sensors arranged to receive signals from a transponder comprising a multi-bit magnetic tag, Applicant respectfully asserts that the above referenced claim, as amended, is patentable and respectfully requests that the rejection under 35 USC 102(b) be withdrawn.

Rejection Under 35 USC 102(b) Over Goff et al. (U.S. Pat. No. 6,600,420)

Claims 1,2 and 4-11 have been rejected under 35 USC 102(b) as being unpatentable over Goff et al (U.S. Pat. No. 6,600,420). Applicant respectfully obviates this rejection.

As the Office Action recognizes that the *Goff et al.* reference does not disclose Applicant's claimed use of one or more supports that include an electronic character display, Applicant respectfully asserts that the above referenced claim, as amended, is patentable and respectfully requests that the rejection under 35 USC 102(b) be withdrawn.

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Conclusion

In light of the above remarks, it is requested that the Examiner reconsider and withdraw the objections to the Drawings and Claim 3, and the rejections under 35 USC 112, Second Paragraph and 35 USC 102(b). Early and favorable action in the case is respectfully requested.

Applicants have made an earnest effort to place their application in proper form and to distinguish the invention as now claimed from the applied references. In view of the foregoing, Applicants respectfully request reconsideration of this application, entry of the amendments presented herein, and allowance of Claims 1-2, 5 and 7-12.

Respectfully submitted,

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